



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
CLINTON COUNTY SHERIFF**

Calendar Year 1999

**EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS
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EXECUTIVE SUMMARY

CLINTON COUNTY KAY RIDDLE, SHERIFF CALENDAR YEAR 1999 FEE AUDIT

Type of Opinion:

We have issued an unqualified opinion on the financial statements for the 1999 calendar year.

Going Concern Comment:

- Sheriff has suffered recurring losses from operations and has a deficit of \$17,478 in his fee account as of December 31, 1999 that raises substantial doubt about the Sheriff's office to continue as a going concern (Note 8).
- Sheriff has suffered recurring losses from operations and had operating expenditures over operating receipts of \$53,814 for calendar year 1999. The Clinton County Fiscal Court is to provide \$53,814 to cover this revenue shortfall since the Fiscal Court is required to cover the Sheriff's statutory maximum (Note 8).
- The financial statement does not include any adjustments that might result from the outcome of this uncertainty (Note 8).
- For the period of January 1, 2000 through February 29, 2000 (Appendix A) there were receipts of \$10,032 and disbursements of \$21,198 for a difference of \$11,166. In addition, the Clinton County Fiscal Court may have to provide \$9,178 to cover the Sheriff's statutory maximum.
- The Clinton County Sheriff's 2000 fee account has a deficit of \$26,839 as of February 29, 2000 (Appendix B).
- The Clinton County Sheriff has receivables of \$92,344 and unpaid obligations in the amount of \$117,825 as of February 29, 2000 (Appendix B).

New Findings:

- The Fiscal Court Should Provide Funding To The Sheriff's Office In The Amount Of \$53,814 For Calendar Year 1999
- The Sheriff Has A Deficit Of \$26,839 In His Official Fee Account As Of February 29, 2000
- Accounting Services Performed In Order To Complete The Audit Were Extensive

Report Comments:

- The Sheriff Should Not Have A Deficit In His Official Fee Account - \$17,478 As Of December 31, 1999
- The Sheriff Should Expend Public Funds Only For Necessary Expenses Of The Sheriff's Office
- The Sheriff Should Transfer Correct Commissions From Tax Collections
- The Sheriff Should Maintain Accurate Accounting Records
- The Sheriff Should Maintain Accurate Payroll Records
- The Fiscal Court Should Set Deputy Sheriff Salaries Annually
- The Sheriff Should Properly Report Payroll Wages And Withholdings
- The Sheriff Should Prepare And Publish An Annual Settlement
- The Sheriff Should Pay Invoices In A Timely Manner
- The Sheriff Should Obtain Reimbursement From State For Expenses
- The Internal Control Structure Of The Sheriff's Office Is Weak Due To A Lack Of Adequate Segregation Of Duties
- The Sheriff Should Record And Deposit All Funds Received To His Official Account
- The Sheriff Should Make Timely And Accurate Federal Tax Withholdings Reports

EXECUTIVE SUMMARY (Continued)

Liabilities:

- As of December 31, 1999, the Clinton County Sheriff had unpaid obligations of \$108,590.
- \$19,332 to U.S. Treasurer for federal tax withholdings and matching
- \$3,990 and \$800 to Kentucky State Treasurer for state withholdings and carry concealed deadly weapon license fees
- \$4,232 and \$305 to Clinton County Fiscal Court for retirement withholdings and matching and county withholdings
- \$2,642 to Kentucky Law Enforcement Foundation Program Fund for overpayment of grant
- \$3,096 to 1996 tax account for refunds
- \$21,619 to 1997 tax account for overpayment of tax commissions (\$20,423), franchise taxes deposited to fee account, and bank service charges
- \$30,638 to 1998 tax account for overpayment of tax commissions (\$28,811), taxes deposited to fee account, and bank service charges
- \$8,525 to 1999 tax account for overpayment of tax commissions
- \$620 to Sheriff and employees for payroll adjustments
- \$11,751 to Sheriff for depreciation of automobiles
- \$1,040 to various vendors for law enforcement equipment, uniforms, and vehicle maintenance and repairs

Receivables:

- As of December 31, 1999, Clinton County Sheriff had receivables of \$78,419.
- \$63,859 from the Clinton County Fiscal Court for employer's share of social security, unemployment insurance, overpayment of employer's share of retirement, and contribution for Sheriff's statutory maximum
- \$3,730 from the Sheriff and employees for payroll adjustments
- \$2,690 from 1996 tax account, \$3,458 from 1997 tax account, and \$4,682 from 1998 tax account for tax commissions, bank franchise fee commissions, advertising fees, interest, and deposit errors.

Additional Information:

- During calendar year 1999, Sheriff Riddle did not maintain proper time records on all employees. Time records do not show the hours worked each day and each week by each employee. In addition, individual earnings records did not include all amounts paid to each employee.
- During calendar year 1999, Sheriff Riddle did not withhold retirement from all compensation of employees participating in the County Employees Retirement System.
- During calendar year 1999, Sheriff Riddle did not pay all of the employer's share of retirement reimbursed from the Kentucky Law Enforcement Foundation Program Fund KLEFPF wages to the County Treasurer.
- According to the Internal Revenue Service, the Clinton County Sheriff had not filed any Employer's Quarterly Federal Tax Returns for calendar year 1999.
- During calendar year 1999, Sheriff Riddle did not make federal deposits as required by federal law.

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Edward B. Hatchett, Jr.
Auditor of Public Accounts

To the People of Kentucky
Honorable Paul E. Patton, Governor
John P. McCarty, Secretary
Finance and Administration Cabinet
Mike Haydon, Secretary, Revenue Cabinet
Honorable Charlene King, Clinton County Judge/Executive
Honorable Kay Riddle, Clinton County Sheriff
Members of the Clinton County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of receipts, disbursements, and excess fees of the County Sheriff of Clinton County, Kentucky, for the year ended December 31, 1999. This financial statement is the responsibility of the County Sheriff. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for County Fee Officials issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the County Sheriff's office is required to prepare the financial statement on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky, which is a comprehensive basis of accounting other than generally accepted accounting principles. This cash basis system does not require the maintenance of a general fixed asset group or general long-term debt group of accounts. Accordingly, the accompanying financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and excess fees of the County Sheriff for the year ended December 31, 1999, in conformity with the basis of accounting described above.

To the People of Kentucky
 Honorable Paul E. Patton, Governor
 John P. McCarty, Secretary
 Finance and Administration Cabinet
 Mike Haydon, Secretary, Revenue Cabinet
 Honorable Charlene King, County Judge/Executive
 Honorable Kay Riddle, Clinton County Sheriff
 Members of the Clinton County Fiscal Court

The accompanying statement of receipts, disbursements, and excess fees of the Sheriff of Clinton County, Kentucky, for the year ended December 31, 1999, has been prepared assuming that the Clinton County Sheriff will continue as a going concern. As discussed in Note 8 to the financial statement, the Sheriff has suffered recurring losses from operations and has a deficit of \$17,478 in his fee account as of December 31, 1999, that raises substantial doubt about the Sheriff's office to continue as a going concern. The financial statement does not include any adjustments that might result from the outcome of this uncertainty.

Our audit was made for the purpose of forming an opinion on the accompanying statement of receipts, disbursements, and excess fees of the Sheriff of Clinton County, Kentucky, for the year ended December 31, 1999 taken as a whole. The accompanying schedule of excess of liabilities over assets as of December 31, 1999 is presented for purposes of additional analysis and is not a required part of the financial statement. Such information has been subjected to auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly presented in all material respects in relation to the financial statement taken as a whole.

Based on the results of our audit, we have presented the accompanying comments and recommendations, included herein, which discusses the following areas of noncompliance:

- The Sheriff Should Not Have A Deficit Of \$17,478 In His Official Fee Account As Of December 31, 1999
- The Fiscal Court Should Provide Funding To The Sheriff's Office In The Amount Of \$53,814 For Calendar Year 1999
- The Sheriff Should Expend Public Funds Only For Necessary Expenses Of The Sheriff's Office
- The Sheriff Should Transfer Correct Commissions From Tax Collections
- The Sheriff Should Maintain Accurate Accounting Records
- The Sheriff Should Maintain Accurate Payroll Records
- The Fiscal Court Should Set Deputy Sheriff Salaries Annually
- The Sheriff Should Properly Report Payroll Wages And Withholdings
- Fiscal Court Should Reimburse The Sheriff For Employer's Share of Social Security And Unemployment Insurance Totaling \$11,333
- The Sheriff Should Prepare And Publish An Annual Settlement
- The Sheriff Should Pay Invoices In A Timely Manner
- The Sheriff Should Obtain Reimbursements From State For Expenses
- The Sheriff Has A Deficit Of \$26,839 In His Official Fee Account As Of February 29, 2000
- Accounting Services Performed In Order To Complete The Audit Were Extensive
- The Internal Control Structure Of The Sheriff's Office Is Weak Due To A Lack Of Adequate Segregation Of Duties

To the People of Kentucky
Honorable Paul E. Patton, Governor
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Honorable Kay Riddle, Clinton County Sheriff
Members of the Clinton County Fiscal Court

In accordance with Government Auditing Standards, we have also issued a report dated March 30, 2000, on our consideration of the County Sheriff's compliance with certain laws and regulations and internal control over financial reporting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
March 30, 2000

CLINTON COUNTY
KAY RIDDLE, SHERIFF
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES

Calendar Year 1999

Receipts

Federal Fees for Services		\$	7,727
State Grants			12,019
Circuit Court Clerk:			
Sheriff Security Service	\$	6,448	
Fines and Fees Collected		<u>560</u>	7,008
Fiscal Court:			
Election Commissioner			670
County Clerk - Delinquent Taxes			1,797
Commission On Taxes Collected			65,972
Fees Collected For Services:			
Auto Inspections	\$	3,915	
Accident and Police Reports		63	
Carrying Concealed Deadly Weapon Permits		3,600	
Serving Papers		9,920	
Sheriff's Add-On Fees - 10% of Tax and Penalty		<u>6,313</u>	23,811
Other:			
Miscellaneous	\$	154	
Transfer from Drug Eradication Fund		<u>12,700</u>	12,854
Interest Earned			<u>755</u>
Gross Receipts		\$	132,613

Disbursements

Payments to State-		
Carrying Concealed Deadly Weapon Permits	\$	2,400
Personnel Services-		
Deputies' Salaries		92,375
Part-Time Salaries		1,200
Employee Benefits-		
Employer's Share of Social Security		10,682
Employer's Share of Retirement		874
Unemployment Insurance		651

CLINTON COUNTY
 KAY RIDDLE, SHERIFF
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES
 Calendar Year 1999
 (Continued)

Disbursements (Continued)

Supplies and Materials-			
Film Development	\$	250	
Law Enforcement Equipment		514	
Office Materials and Supplies		1,581	
Uniforms		1,667	
Auto Expense-			
Gasoline		9,135	
Maintenance and Repairs		3,933	
Depreciation of Automobiles		5,377	
Other Charges-			
Bank Service Charges		194	
Bond		385	
Conventions and Travel		921	
Dues		315	
Finance Charge		46	
Insufficient Fund Charge		15	
Penalties and Interest		303	
Postage		54	
Telephone		280	
		<hr/>	
Total Disbursements	\$	133,152	
Less: Disallowed Disbursements			
Finance Charge	\$	46	
Insufficient Fund Charge		15	
Penalties and Interest		303	
		<hr/>	<hr/>
		364	
Total Allowable Disbursements			\$ 132,788
Net Receipts			\$ (175)
Less: Statutory Maximum			<hr/>
			53,639
Balance as of December 31, 1999			\$ (53,814)
Due From Fiscal Court for Sheriff's Statutory Maximum	\$	42,481	
Due From Fiscal Court for Employer's Share of Social Security		10,682	
Due From Fiscal Court - Unemployment Insurance		651	
		<hr/>	<hr/>
		53,814	
Balance Due County as of December 31, 1999			<hr/>
			\$ 0

The accompanying notes are an integral part of the financial statement.

CLINTON COUNTY
NOTES TO FINANCIAL STATEMENT

December 31, 1999

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

A fee official uses a fund to report on the results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fee official uses a fund for fees to account for activities for which the government desires periodic determination of the excess of receipts over disbursements to facilitate management control, accountability, and compliance with laws.

B. Basis of Accounting

The financial statement has been prepared on a cash basis of accounting pursuant to KRS 68.210 as recommended by the State Local Finance Officer. Revenues and related assets are generally recognized when received rather than when earned. Certain expenses are recognized when paid rather than when a liability is incurred, including capital asset purchases. Certain other expenses are recognized when a revenue and the related asset can be associated with a corresponding liability due another governmental entity.

The measurement focus of a fee official is upon excess fees. Remittance of excess fees is due to the County Treasurer in the subsequent year. A schedule of excess of liabilities over assets is included in this report as a supplemental schedule. The schedule indicates the cumulative effect of prior year deficits under the respective fee official.

C. Cash and Investments

At the direction of the fiscal court, KRS 66.480 authorizes the County Sheriff's office to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county officials and employees have elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system that covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5.0 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 8.22 percent.

CLINTON COUNTY
NOTES TO FINANCIAL STATEMENT
December 31, 1999
(Continued)

Note 2. Employee Retirement System (Continued)

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information pertaining to CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report which is a matter of public record.

Note 3. Deposits

The Sheriff maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the Sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, and (c) an official record of the depository institution. These requirements were met, and as of December 31, 1999, the Sheriff's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the Sheriff's agent in the Sheriff's name, or provided surety bond which named the Sheriff as beneficiary/obligee on the bond.

Note 4. Drug Eradication Fund

The Sheriff's office maintains a Drug Eradication Fund. Receipts for this fund are from court ordered payments related to drug cases. These funds are reserved for law enforcement involving drug eradication purposes only and are not available for excess fee purposes. As of January 1, 1999, the Drug Eradication Fund had a beginning balance of \$78. Receipts to this fund for 1999 were \$14,362, disbursements totaled \$1,256, and transfers to the fee account totaled \$12,700, leaving an unexpended balance of \$484 as of December 31, 1999.

Note 5. DARE Fund

The Sheriff's office maintains a Drug Awareness Resistance Fund. Receipts for this fund come from donations and court ordered payments. These funds are reserved for DARE purposes only and are not available as excess fees. As of January 1, 1999, the DARE Fund had a beginning balance of \$1. During 1999, the Sheriff received no receipts and disbursements totaled \$1, leaving an unexpended balance of \$0 as of December 31, 1999.

CLINTON COUNTY
NOTES TO FINANCIAL STATEMENT
December 31, 1999
(Continued)

Note 6. Receivables

The Clinton County Sheriff is due a receivable of \$53,814 for calendar year 1999 from the Clinton County Fiscal Court. During calendar year 1999, the Sheriff's office fee account did not earn enough money to fund \$42,481 of the Sheriff's salary. KRS 64.535 states that "[t]he . . . sheriff shall . . . receive a monthly salary of one-twelfth (1/12) of the amount indicated by the salary schedule in KRS 64.5275." This statute mandates that the Sheriff is entitled to receive his statutory maximum salary, even if his office fails to generate sufficient fees and other revenues to cover all allowable expenses of his office, including the expense of the sheriff's maximum salary as set out in the salary schedule in KRS 64.5275. In addition, the Sheriff is due a refund of \$11,333 from the fiscal court for paying the employer's share of social security and unemployment insurance. Thus, because the Sheriff's office has a revenue shortfall and is unable to pay all allowable expenses, out of the fees and other revenues generated by his office, it is the responsibility of the fiscal court to provide funding for the Sheriff's 1999 statutory maximum salary and refund the \$11,333 of employee benefits.

Note 7. Subsequent Events

Our review of the Sheriff's records subsequent to the audit period disclosed the following non-compliances with federal and state laws.

- a. As of February 29, 2000, the Sheriff had a deficit fund balance of \$26,839. Please see Note 8 and Appendix B for further information.
- b. As of February 29, 2000, the Sheriff earned \$2,904 in tax commissions for the period January 1, 2000 through February 29, 2000. However, tax commissions paid to the fee account totaled \$3,349. A balance of \$445 is due from the fee account to the tax account.
- c. As of February 29, 2000, retirement wages of \$3,116 and retirement withholdings of \$156 had not been reported to the Clinton County Treasurer for the period January 1, 2000 through February 29, 2000. As of February 29, 2000, the Sheriff owes the Clinton County Treasurer \$156 for retirement withholdings. In addition, the Sheriff owes the Clinton County Treasurer \$59 for employer's share of retirement.
- d. As of February 29, 2000, federal withholdings of \$1,938, FICA withholdings of \$1,805, and employer's share of FICA of \$1,805 were not paid to the Internal Revenue Service. As noted in Appendix B, as of February 29, 2000, the Sheriff owes the U.S. Treasurer a total of \$5,548 for payroll taxes and FICA for the period January 1, 2000 through February 29, 2000.
- e. As of February 29, 2000, state withholdings of \$966 were owed to the Kentucky Revenue Cabinet for the period January 1, 2000 through February 29, 2000.

Note 8. Going Concern

The accompanying statement of receipts, disbursements, and excess fees of the Sheriff of Clinton County, Kentucky, for the year ended December 31, 1999, has been prepared assuming that the Clinton County Sheriff will continue as a going concern. The Sheriff has suffered recurring losses from operations and had operating expenditures over operating receipts of \$53,814 for calendar year 1999.

CLINTON COUNTY
NOTES TO FINANCIAL STATEMENT
December 31, 1999
(Continued)

Note 8. Going Concern (Continued)

The Clinton County Fiscal Court is to provide \$53,814 to cover this revenue shortfall since the Fiscal Court is required to cover the Sheriff's statutory maximum (See Note 6). In addition, the Sheriff has a deficit in his fee account of \$17,478 as of December 31, 1999, which raises substantial doubt about the Sheriff's ability to continue as a going concern.

As noted in the accompanying statement of receipts, disbursements, and excess fees of the Sheriff of Clinton County, Kentucky, for the period of January 1, 2000 through February 29, 2000 (Appendix A), there were receipts of \$10,032 and disbursements of \$21,198 for a difference of \$11,166. The Clinton County Fiscal Court may have to provide \$9,178 to cover the Sheriff's statutory maximum and owes the Sheriff \$1,805 as reimbursement for employer's share of social security. This two-month period of year 2000 will be included with the 2000 calendar year fee audit.

The schedule of excess of liabilities over assets as of February 29, 2000 is included in this audit report as Appendix B. The Clinton County Sheriff's fee account has a deficit of \$26,839 as of February 29, 2000. This deficit results from a \$17,478 deficit carried over from calendar year 1999 and \$9,361 of expenditures exceeding receipts. This deficit will be updated with the 2000 calendar year fee audit.

Note 9. Explanation of December 31, 1999 Deficit

The \$17,478 deficit resulted from the following transactions:

Disallowed Disbursements:

1998	\$	1,246	
1999		<u>364</u>	\$ 1,610

Undeposited Receipts:

1998	\$	1,546	
1999		<u>142</u>	1,688

Disbursements In Excess of Receipts - 1998		13,931	
Unidentified Transactions - 1998		<u>249</u>	

Total Deficit December 31, 1999		<u>\$</u>	<u>17,478</u>
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Sheriff Riddle owes \$1,500 listed as accounts receivable for overpayments to himself. He is due \$11,751 of the deficit amount for automobile depreciation. The Sheriff should collect all receivables (including the \$1,500 he owes), deposit additional personal funds of \$17,478, and pay all liabilities (including the \$11,751 of depreciation due himself).

CLINTON COUNTY
KAY RIDDLE, COUNTY SHERIFF
SCHEDULE OF EXCESS OF LIABILITIES OVER ASSETS

As of December 31, 1999

Assets

Cash in Bank		\$	2,313
Deposits in Transit			19,878
Receivables:			
Due From Clinton County Fiscal Court-			
Employer's Share of Social Security-			
1998 Fees	\$	8,335	
1999 Fees		10,682	
Unemployment Insurance-			
1998 Fees		586	
1999 Fees		651	
Overpayment of Employer's Share of			
Retirement - 1999 Fees		1,124	
Contribution For Sheriff's			
Statutory Maximum (Note 6)		42,481	\$ 63,859
Due From Sheriff for 1998 Fees-			
Salary Paid in Excess of Statutory Maximum	\$	851	
Erroneous Payment to Sheriff for Prior Year		70	
Overpayment of Kentucky Law Enforcement			
Program Fund		150	
Under-Withheld County Retirement		100	
Under-Withheld FICA		153	1,324
Due From Sheriff for 1999 Fees-			
Under-Withheld County Retirement	\$	148	
Under-Withheld County Payroll Tax		28	176
Due from Employees for 1998 Fees-			
Overpayment of Kentucky Law Enforcement			
Program Fund			437
Due from Employees for 1999 Fees-			
Overpayment of Kentucky Law Enforcement			
Program Fund	\$	1,180	
Overpayment of Salaries		54	
Under-Withheld County Retirement		174	
Under-Withheld Social Security		11	
Under-Withheld County Payroll Tax		75	
Refunded Retirement Withholdings		299	1,793
Due From 1996 Tax Account-			
Tax Commissions	\$	2,474	
Advertising Fees		216	2,690

CLINTON COUNTY
 KAY RIDDLE, COUNTY SHERIFF
 SCHEDULE OF EXCESS OF LIABILITIES OVER ASSETS
 As of December 31, 1999
 (Continued)

Assets (Continued)

Receivables: (Continued)

Due From 1997 Tax Account-			
Interest	\$	1,298	
Sheriff's Fee - Advertising		355	
Bank Franchise Fee Commissions		1,508	
Deposit Errors		<u>297</u>	\$ 3,458
Due From 1998 Tax Account-			
Interest	\$	675	
Sheriff's Fee		3,983	
Bank Franchise Fee Commissions		<u>24</u>	<u>4,682</u>
Total Receivables			<u>\$ 78,419</u>
Total Assets			<u>\$ 100,610</u>

Liabilities

Paid Obligations:

Outstanding Checks		\$	350	
Other Paid Obligations:				
U.S. Treasurer - Payroll Taxes and Social Security			6,182	
State Treasurer-				
Carrying Concealed Deadly Weapon Permits			400	
Clinton County Fiscal Court-				
Retirement			564	
Other Vendors			<u>2,002</u>	
Total Paid Obligations				\$ 9,498

Unpaid Obligations:

U.S. Treasurer -				
Federal Tax Withholdings and Matching-				
1998 Fees	\$	9,361		
1999 Fees		<u>9,971</u>	\$	19,332

CLINTON COUNTY
 KAY RIDDLE, COUNTY SHERIFF
 SCHEDULE OF EXCESS OF LIABILITIES OVER ASSETS
 As of December 31, 1999
 (Continued)

Liabilities (Continued)

Unpaid Obligations: (Continued)

Kentucky State Treasurer-		
State Withholdings-		
1998 Fees	\$ 1,143	
1999 Fees	<u>2,847</u>	\$ 3,990
Carrying Concealed Deadly Weapon Permits-		
1998 Fees	\$ 160	
1999 Fees	<u>640</u>	800
Clinton County Fiscal Court-		
Retirement Withholdings and Matching-		
1997 Fees	\$ 452	
1998 Fees	2,024	
1999 Fees	<u>1,756</u>	4,232
County Withholdings - 1999 Fees		305
Kentucky Law Enforcement Foundation		
Program Fund-		
Overpayment of Grant		2,642
1996 Tax Account-		
Refunds		3,096
1997 Tax Account-		
Overpayment of Tax Commissions-		
1998 Fees	\$ 9,423	
1999 Fees	<u>11,000</u>	20,423
Franchise Taxes Deposited to Fee Account		1,172
Bank Service Charges		24
1998 Tax Account-		
Overpayment of Tax Commissions-		
1998 Fees	\$ 14,813	
1999 Fees	<u>13,998</u>	28,811
Taxes Deposited to Fee Account		1,717
Bank Service Charges		110
1999 Tax Account-		
Overpayment of Tax Commissions-		
1999 Fees		8,525

CLINTON COUNTY
 KAY RIDDLE, COUNTY SHERIFF
 SCHEDULE OF EXCESS OF LIABILITIES OVER ASSETS
 As of December 31, 1999
 (Continued)

Liabilities (Continued)

Unpaid Obligations: (Continued)

Due to Employees for 1998 Fees-		
Underpayment of Wages	\$	274
Social Security Over-Withheld		58
Due to Employees for 1999 Fees-		
Over-Withheld County Payroll Tax		3
Due to Sheriff-		
Underpayment of Statutory Maximum - 1999 Fees		281
Over-Withheld Social Security		4
Depreciation of Automobiles-		
1998 Fees	\$	6,374
1999 Fees		<u>5,377</u>
		11,751
Other Vendors-		
Law Enforcement Equipment	\$	119
Uniforms		327
Vehicle Maintenance and Repairs		<u>594</u>
		1,040
Total Unpaid Obligations		<u>\$ 108,590</u>
Total Liabilities		<u>\$ 118,088</u>
Total Fund Deficit as of December 31, 1999		<u><u>\$ (17,478)</u></u>

CLINTON COUNTY
KAY RIDDLE, COUNTY SHERIFF
COMMENTS AND RECOMMENDATIONS

Calendar Year 1999

FEDERAL/STATE LAWS AND REGULATIONS:

- 1) The Sheriff Should Not Have A Deficit Of \$17,478 In His Official Fee Account As Of December 31, 1999

Sheriff Riddle is responsible for a \$17,478 deficit in his official bank account as of December 31, 1999. This deficit results from \$16,972 in prior year deficit; \$364 in disallowed expenditures; and \$142 of undeposited receipts. More detail of the deficit is provided in Note 9 of the Notes To Financial Statement. Included in accounts receivable is \$1,500 due from Sheriff Riddle for overpayments made to himself. Also under liabilities the Sheriff is due \$11,751 for automobile depreciation. We recommend the Sheriff eliminate this deficit with \$17,478 of personal funds and, in the future, deposited all receipts intact daily and pay only allowable expenditures from the official account.

Kay Riddle, Clinton County Sheriff's Response:

This deficit arises from the failure of the County to pay salaries, expenses and other compensation which they are required by statute to pay. The Clinton County Judge/Executive has refused to pay this compensation as required. We are demanding payment for over-budget expenditures from the County and shall also pay out of personal funds the \$142.00 allegedly occurring in undeposited receipts, which we were unaware of.

Charlene King, Clinton County Judge/Executive's Response:

The Sheriff knew he was spending more than what he was taking in since September 1999, and refused to correct the situation. Nothing has been done thru April 2000 to correct this.

- 2) The Fiscal Court Should Provide Funding To The Sheriff's Office In The Amount Of \$53,814 For Calendar Year 1999

During calendar year 1999, the Sheriff's office fee account expended \$42,481 more for allowable expenditures than it received in fees and other revenue receipts. This fiscal condition prevented the Sheriff from receiving his full statutory maximum salary in accordance with the salary schedule set out in KRS 64.5275. KRS 64.535 states that "[t]he . . . sheriff shall . . . receive a monthly salary of one-twelfth (1/12) of the amount indicated by the salary schedule in KRS 64.5275." This statute mandates that the Sheriff is entitled to receive his statutory maximum salary, even if his office fails to generate sufficient fees and other revenues to cover all allowable expenses of his office, including the expense of the sheriff's maximum salary as set out in the salary schedule in KRS 64.5275. Thus, because the Sheriff's office has a revenue shortfall and is unable to pay all allowable expenses, including the expense of the Sheriff's maximum salary, out of the fees and other revenues generated by his office, it is the responsibility of the fiscal court to provide funding for the Sheriff's 1999 statutory maximum salary. The Clinton County Fiscal Court should fund the Sheriff's statutory maximum salary amount for calendar year 1999 by covering the Sheriff's office fee account revenue shortfall of \$42,481.

CLINTON COUNTY
KAY RIDDLE, COUNTY SHERIFF
COMMENTS AND RECOMMENDATIONS
Calendar Year 1999
(Continued)

FEDERAL/STATE LAWS AND REGULATIONS: (Continued)

- 2) The Fiscal Court Should Provide Funding To The Sheriff's Office In The Amount Of \$53,814 For Calendar Year 1999 (Continued)
-

In addition, OAG 68-51 and OAG 79-433 state that the fiscal court is to pay the employer's (i.e., the Sheriff's office's) share of Social Security and unemployment insurance. Therefore, the Clinton County Fiscal Court should reimburse the Clinton County Sheriff's office \$10,682 and \$651 for expenditures during calendar year 1999 for the employer's share of social security and unemployment insurance, respectively, for a total of \$11,333.

Based on the above, the fiscal court should remit \$53,814 (\$42,481 plus \$11,333) to the Sheriff's office fee account for calendar year 1999.

Kay Riddle, Clinton County Sheriff's Response:

We are requesting that the Sheriff's salary and other required funding be promptly paid by the County.

Charlene King, Clinton County Judge/Executive's Response:

The Sheriff Received \$53,814 From His Fee Account. If There Is A Shortage He Should Replace The Money Because He Elected To Spend His Fees On Other Things.

As To The Fiscal Court Taking Over The Operation Of The Sheriff's Office, On September 1, 1999 The Department Of Local Government Recommended That The Fiscal Court Take Over The Sheriff's Office. The Sheriff Specifically Asked The Fiscal Court Not To Do That. Numerous Shortages Have Occurred Since That Time. The Sheriff Stated In The September 9, 1999 Fiscal Court Meeting That He Would Be Responsible For His Own Office. The Sheriff Must Be Held Accountable For His Own Actions.

Auditor Reply:

Under KRS 64.5275, the fiscal court is responsible for funding the Sheriff's salary if adequate fee money is not available. Since the Sheriff used other funds for his salary, the fiscal court's money will be used to replace those other funds.

CLINTON COUNTY
 KAY RIDDLE, COUNTY SHERIFF
 COMMENTS AND RECOMMENDATIONS
 Calendar Year 1999
 (Continued)

FEDERAL/STATE LAWS AND REGULATIONS: (Continued)

3) The Sheriff Should Expend Public Funds Only For Necessary Expenses Of The Sheriff's Office

In Funk vs. Milliken, 317 S.W.2d 499 (Ky. 1958), Kentucky's highest court reaffirmed the rule that county fee officials' expenditures of public funds will be allowed only if they are necessary, adequately documented, reasonable in amount, beneficial to the public, and not personal expenses. Therefore, the following expenditures are disallowed:

<u>Type</u>	<u>Amount</u>	<u>Reason Disallowed</u>
Finance Charges	\$ 46	Not Necessary
Insufficient Fund Charge	15	Not Necessary
Penalties and Interest	<u>303</u>	Not Necessary
Total	<u>\$ 364</u>	

We recommend that in the future only expenditures necessary for the operation of the Sheriff's office be paid from the official account.

Kay Riddle, Clinton County Sheriff's Response:

As Sheriff, we are responsible for payment of this amount totalling \$364.00, although this expense was incurred by reason of the County's failure to properly compensate the Sheriff. We had no choice on the expenditures due to lack of funds.

Charlene King, Clinton County Judge/Executive's Response:

This should be dealt with by the Sheriff.

4) The Sheriff Should Transfer Correct Commissions From Tax Collections

The Sheriff earned \$65,972 in tax commissions for calendar year 1999. However, net commissions paid to the fee account totaled \$99,495. A balance of \$33,523 is due from the fee account to the tax account. KRS 134.170 states ". . . the sheriff shall not apply or use any money received by him for any purpose other than that which the money was paid or collected." We recommend the Sheriff pay actual tax commissions earned to the fee account on a monthly basis.

Kay Riddle, Clinton County Sheriff's Response:

These funds will be transferred as per request.

Charlene King, Clinton County Judge/Executive's Response:

The taxing districts have not received proper receipts. This includes the Fiscal Court. I cannot imagine why the fiscal court should be asked to make up any deficit by paying a salary to the Sheriff when he has already received his salary by keeping the money due taxing districts.

CLINTON COUNTY
 KAY RIDDLE, COUNTY SHERIFF
 COMMENTS AND RECOMMENDATIONS
 Calendar Year 1999
 (Continued)

FEDERAL/STATE LAWS AND REGULATIONS: (Continued)

4) The Sheriff Should Transfer Correct Commissions From Tax Collections (Continued)

Auditor Reply:

The Fiscal Court should pay the Sheriff's office \$53,814 as discussed in comment #2. These funds will be used to pay liabilities of the Sheriff's office.

5) The Sheriff Should Maintain Accurate Accounting Records

During the audit of the Sheriff's receipts and disbursements for calendar year 1999, we noted numerous errors in the Sheriff's accounting records. These included the following:

- a) One deposit was found in the fee bank account that contained property tax checks.
- b) The Sheriff's disbursements ledger was not posted accurately. Some 1998 expenditures had been charged to the 1999 fees.
- c) The Sheriff's fourth quarter report of receipts and disbursements was not accurate. The fourth quarter report could not be traced to the receipts and disbursements ledgers. The Sheriff had not presented an excess fee settlement to the fiscal court, nor published one.

The Uniform System of Accounts established under the authority of KRS 68.210 requires the Sheriff to keep and maintain a daily receipts and disbursements ledger. We recommend the Sheriff initiate procedures to ensure that all accounting records are accurately maintained.

Kay Riddle, Clinton County Sheriff's Response:

Due to insufficient income, we have been unable to purchase a computer sufficiently advanced to assist our staff in conforming to state auditing procedures. We have hired a bookkeeper to assist in the office.

Charlene King, Clinton County Judge/Executive's Response:

In September 99 the Dept. of Local Government recommended that the Sheriff should fee pool and let someone else maintain the Payroll & records. The Sheriff refused. If the Fee Pooling had happened this situation would not exist. The Sheriff is responsible.

6) The Sheriff Should Maintain Accurate Payroll Records

KRS 337.320 requires every employer to keep a record of ". . . the amount paid each pay period to each employee . . ." and ". . . the hours worked each day and each week by each employee." Sheriff Riddle does not maintain proper time records on all employees. Time records do not show the hours worked each day and each week by each employee. In addition, individual earnings records did not include all amounts paid to each employee. Sheriff Riddle should require all employees to keep time records that include the number of hours worked every day and every week.

CLINTON COUNTY
KAY RIDDLE, COUNTY SHERIFF
COMMENTS AND RECOMMENDATIONS
Calendar Year 1999
(Continued)

FEDERAL/STATE LAWS AND REGULATIONS: (Continued)

6) The Sheriff Should Maintain Accurate Payroll Records (Continued)

Kay Riddle, Clinton County Sheriff's Response:

We believe our existing time sheet records should be satisfactory, but we will in the future conform to the Auditor's request.

Charlene King, Clinton County Judge/Executive's Response:

It is my understanding from the Auditors that the Sheriff's daughter keeps payroll records for Sheriff's office employees. She should be accountable and responsible For any deficit through her bond.

Auditor Reply:

The Sheriff is responsible for the operations of his office and for maintaining accurate payroll records.

7) The Fiscal Court Should Set Deputy Sheriff Salaries Annually

KRS 64.530(3) requires the fiscal court to fix annually the maximum amount, including fringe benefits, which the Sheriff may expend for deputies and assistants, and allow the Sheriff to determine the number to be hired and the individual compensation of each deputy and assistant. The fiscal court did not properly set maximum salaries for the Sheriff's deputies for calendar year 1999. We recommend the fiscal court comply with KRS 64.530(3) by setting the maximum salaries and fringe benefits for Sheriff's deputies on an annual basis.

Kay Riddle, Clinton County Sheriff's Response:

The Fiscal Court, under the direction of the County Judge/Executive, has properly done very little in regard to the Sheriff's office. The Fiscal Court should comply with KRS 64.530(3) but funding should be allocated and expended on a fair and timely basis.

Charlene King, Clinton County Judge/Executive's Response:

None.

CLINTON COUNTY
KAY RIDDLE, COUNTY SHERIFF
COMMENTS AND RECOMMENDATIONS
Calendar Year 1999
(Continued)

FEDERAL/STATE LAWS AND REGULATIONS: (Continued)

8) The Sheriff Should Properly Report Payroll Wages And Withholdings

The Sheriff failed to properly report payroll wages and withholdings to the County Employees Retirement System, the Internal Revenue Service, and Kentucky Revenue Cabinet.

a) Retirement

KRS 78.610 requires employees of a participating county to contribute 5% of his or her compensation to the County Employees Retirement System (CERS). The Sheriff reports retirement wages and withholdings to the Clinton County Treasurer. He also pays retirement withholdings to the County Treasurer.

The County Treasurer then reports and pays retirement to CERS. However, retirement withholdings were not made on all compensation of employees participating in CERS. In addition, for calendar year 1999, retirement wages of \$35,117 and retirement withholdings of \$1,756 were not reported to the County Treasurer. As of December 31, 1999, the Clinton County Sheriff's office owes the County Treasurer \$1,756 for retirement withholdings. The Sheriff should report promptly and pay employees retirement wages and withholdings to the County Treasurer. In addition, the Sheriff should withhold retirement from all compensation of employees participating in CERS.

The Sheriff is also required to pay the County Treasurer the employer's share of retirement for the wages reimbursed from the Kentucky Law Enforcement Foundation Program Fund (KLEFPF). The Sheriff did not pay all of the employer's share of retirement for KLEFPF wages to the County Treasurer. For calendar year 1999, the Sheriff's office owed the County Treasurer \$874 and paid her \$75 for a difference of \$799. The Sheriff also paid the County Treasurer \$1,923 for employer's share of retirement on employees hired under the COPS Universal Hiring Grant. Since the grant funding ended as of December 31, 1998, he was no longer required to pay the employer's share of retirement on these employees. Therefore, as of December 31, 1999, the Clinton County Fiscal Court owes \$1,124 (the balance of \$1,923 less \$799) to the Sheriff's office for overpayment of the employer's share of retirement. The Sheriff should properly pay all employer's share of retirement reimbursed from KLEFPF to the County Treasurer.

b) Federal

26 USCA § 3402 states that “. . . every employer making payment of wages shall deduct and withhold upon such wages . . .” federal income taxes. In addition, 26 USCA § 3102 requires every employer to withhold FICA from wages. Every employer is required by federal law to file each quarter an Employer's Quarterly Federal Tax Return with the Internal Revenue Service (IRS). This return should include total wages for all employees, income tax withheld from all wages, and FICA withheld. However, per returns provided to auditor for calendar year 1999, wages of \$49,169 were not reported to the IRS. In addition, federal withholdings of \$4,707 and FICA withholdings of \$3,761 were not reported to the IRS.

CLINTON COUNTY
KAY RIDDLE, COUNTY SHERIFF
COMMENTS AND RECOMMENDATIONS
Calendar Year 1999
(Continued)

FEDERAL/STATE LAWS AND REGULATIONS: (Continued)

8) The Sheriff Should Properly Report Payroll Wages And Withholdings (Continued)

b) Federal (Continued)

However, the Internal Revenue Service stated that the Clinton County Sheriff had not filed any Employer's Quarterly Federal Tax Returns for calendar year 1999. Sheriff Riddle is also not making federal deposits as required by federal law. As of December 31, 1999, the Clinton County Sheriff's office owes the Internal Revenue Service \$9,971 for federal withholdings, FICA withholdings, and employer's share of FICA. The Sheriff should properly report wages and withholdings on the Employer's Quarterly Federal Tax Returns and make federal deposits timely.

c) State

KRS 141.310 states that ". . . every employer making payment of wages on or after January 1, 1971, shall deduct and withhold upon the wages . . . " state income taxes. KRS 141.330 requires every employer to file on or before the last day of the month following the close of each quarterly period a return reporting the tax withheld for that quarter.

This return should include total wages for all employees and Kentucky income tax withheld. However, for calendar year 1999, wages of \$29,757 were not reported to the Kentucky Revenue Cabinet. In addition, state withholdings of \$1,511 were not reported to the Kentucky Revenue Cabinet. As of December 31, 1999, the Clinton County Sheriff's office owes the Kentucky Revenue Cabinet \$2,847 for state withholdings. We recommend the Sheriff report all wages and state withholdings to the Kentucky Revenue Cabinet promptly and include payment.

d) County

Clinton County Fiscal Court Ordinance No. 1999-OLFTAX states that ". . . effective April 1, 1999 the THREE FOURTHS OF ONE PERCENT Occupational License Fee Ordinance 1999-OLFTAX applies to all individuals, employers, partnerships, corporations, and businesses in Clinton County." This ordinance requires every employer to ". . . withhold THREE FOURTHS OF ONE PERCENT license fee from gross wages, salaries, and commissions paid to employees for services performed within Clinton County." The employer is to file a return of occupational tax which reports license fees withheld from employees on a quarterly basis. This return should include total wages of all employees and license fees withheld. However, for calendar year 1999, the Sheriff did not report wages of \$6,696 to the Clinton County Occupational Tax Administrator.

In addition, license fees withheld of \$50 were not reported to the Clinton County Occupational Tax Administrator. As of December 31, 1999, the Clinton County Sheriff's office owes the Clinton County Occupational Tax Administrator \$305 for license fees withheld. The Sheriff's office should report and pay all wages and license fees withheld to the Clinton County Occupational Tax Administrator.

We are referring these matters to the County Employees Retirement System, the Internal Revenue Service, and the Kentucky Revenue Cabinet for further action.

CLINTON COUNTY
KAY RIDDLE, COUNTY SHERIFF
COMMENTS AND RECOMMENDATIONS
Calendar Year 1999
(Continued)

FEDERAL/STATE LAWS AND REGULATIONS: (Continued)

8) The Sheriff Should Properly Report Payroll Wages And Withholdings (Continued)

Kay Riddle, Clinton County Sheriff's Response:

All funds required to be paid by the Sheriff for withholding will be paid as requested, upon receipt of funds due the Sheriff from the Fiscal Court. We will proceed with payment of \$305.00 to the Occupational Tax Administrator as advised.

Charlene King, Clinton County Judge/Executive's Response:

Sheriff Riddle should be responsible for all local, state, and federal taxes for the County Employees that work for him and Fiscal Court should not be responsible for any unbudgeted deficits created by the Sheriff.

9) Fiscal Court Should Reimburse The Sheriff For Employer's Share Of Social Security And Unemployment Insurance Totaling \$11,333 (Also Included In Comment #3)

OAG 68-51 opines that the fiscal court must pay the employer's share of FICA contributions for the county sheriff's deputies and assistants. OAG 79-433 and OAG 79-468 opine that the fiscal court must pay the unemployment insurance contributions for sheriff's deputies and assistants in a county where the sheriff's office does not generate excess fees from which the contributions could be made. Therefore, the Clinton County Fiscal Court should reimburse the Clinton County Sheriff's office \$10,682 and \$651 for expenditures during calendar year 1999 for the employer's share of FICA and unemployment insurance contributions respectively. In the future, the Sheriff should submit a report to the Fiscal Court for reimbursement of the employer's share of FICA on a monthly basis. The Sheriff should also submit claims for reimbursement of unemployment insurance contributions where his office does not generate excess fees from which the contributions could be made.

Kay Riddle, Clinton County Sheriff's Response:

We are demanding payment of \$10,682 and \$651 from the Fiscal Court for employer's share of FICA and unemployment insurance.

Charlene King, Clinton County Judge/Executive's Response:

Fiscal Court should not reimburse the Sheriff for taxes the Sheriff has failed to pay.

Auditor Reply:

These amounts have been paid by the Sheriff as reflected on page 4 of this report.

CLINTON COUNTY
KAY RIDDLE, COUNTY SHERIFF
COMMENTS AND RECOMMENDATIONS
Calendar Year 1999
(Continued)

FEDERAL/STATE LAWS AND REGULATIONS: (Continued)

10) The Sheriff Should Prepare And Publish An Annual Settlement

The Sheriff has not prepared an annual settlement as required by KRS 134.310(5). KRS 134.310(5) requires the Sheriff to file an annual settlement with the fiscal court when he files his yearly tax settlement, with September 1 being the latest date to file. In addition, the Sheriff did not publish an annual settlement in accordance with KRS 424.220, which requires financial statements be published within 60 days after the end of the calendar year. We recommend the Sheriff comply with these statutes by preparing, publishing, and filing an annual settlement within the proper time periods.

Kay Riddle, Clinton County Sheriff's Response:

Annual settlement for 1999 will be filed prior to September 1, 2000, as required by statute. The financial statement shall be published timely in the future, within 60 days of the end of the calendar year.

Charlene King, Clinton County Judge/Executive's Response:

The Sheriff also did not report to the County Judge each month.

11) The Sheriff Should Pay Invoices In A Timely Manner

Several invoices were not paid in a timely manner. Many invoices were paid anywhere from one to ten months late. In addition, invoices for calendar year 1999 of \$1,040 were unpaid as of March 30, 2000. Also, several invoices were not properly cancelled. KRS 65.140 requires all public officials to pay vendors within 30 working days of receipt of the vendor's invoice. We recommend the Sheriff initiate procedures to ensure that all invoices are paid in a timely manner and are properly cancelled with the date paid, check number, amount paid, and the initials of the person preparing the payment. We further recommend the Sheriff review and sign off on all invoices to be paid.

Kay Riddle, Clinton County Sheriff's Response:

Due to failure of Fiscal Court at the direction of the County Judge/Executive to pay funds to the Sheriff as required, we have been unable to timely pay vendors on occasion.

Charlene King, Clinton County Judge/Executive's Response:

None.

CLINTON COUNTY
KAY RIDDLE, COUNTY SHERIFF
COMMENTS AND RECOMMENDATIONS
Calendar Year 1999
(Continued)

FEDERAL/STATE LAWS AND REGULATIONS: (Continued)

12) The Sheriff Should Obtain Reimbursements From State For Expenses

The Sheriff is allowed to obtain reimbursements from the Commonwealth of Kentucky for certain expenses. Some of these expenses are waiting on the court, transporting prisoners, and return of fugitives. The Sheriff did not obtain reimbursements for these expenses during calendar year 1999. We recommend that in the future the Sheriff's office obtain reimbursements from the state for expenses whenever possible.

Kay Riddle, Clinton County Sheriff's Response:

We are attempting to obtain reimbursement in all areas possible from all revenue sources.

Charlene King, Clinton County Judge/Executive's Response:

I would recommend the Sheriff do the proper paperwork to obtain the reimbursement from the State instead of asking The Fiscal Court to help fund his office through the Clinton County taxpayers.

SUBSEQUENT EVENT:

The Sheriff Has A Deficit Of \$26,839 In His Official Fee Account As Of February 29, 2000

As noted in the accompanying statement of receipts, disbursements, and excess fees of the Sheriff of Clinton County, Kentucky, for the period of January 1, 2000 through February 29, 2000 (Appendix A), there were receipts of \$10,032 and disbursements of \$21,198, for a difference of \$11,166. The Clinton County Fiscal Court may have to provide \$9,178 to cover the Sheriff's statutory maximum and owes the Sheriff \$1,805 as reimbursement for the employer's share of social security. The schedule of excess of liabilities over assets as of February 29, 2000 is included in this audit report as Appendix B. The Clinton County Sheriff's fee account has a deficit of \$26,839 as of February 29, 2000. This deficit results from a \$17,478 deficit carried over from calendar year 1999 and \$9,361 in expenditures over receipts. In addition, the Clinton County Sheriff has receivables of \$92,344 and unpaid obligations in the amount of \$117,825 as of February 29, 2000.

Kay Riddle, Clinton County Sheriff's Response:

We are requesting mandated payment from the fiscal court to correct these items. The Sheriff's losses, on paper, are due to the Fiscal Court failing to pay state-mandated payments to Sheriff, including salary, expenses, as well as failure to carry out Fiscal Court action in support of the Sheriff.

CLINTON COUNTY
KAY RIDDLE, COUNTY SHERIFF
COMMENTS AND RECOMMENDATIONS
Calendar Year 1999
(Continued)

SUBSEQUENT EVENT: (Continued)

The Sheriff Has A Deficit Of \$26,839 In His Official Fee Account As Of February 29, 2000
(Continued)

Charlene King, Clinton County Judge/Executive's Response:

It Is Obvious That Something Must Be Done To Stop The Constant Diffance By The Sheriff To Clean Up His Office. Since This Has Been Ongoing Since 1997 Through April 2000. The Auditors Office Should Have Stopped This Sooner So I Could Have Advised The Fiscal Court To Respond. The State Auditors Office Should Not Ask The Fiscal Court To Correct What They Failed To Do By Waiting So Long To Make This Public, Then Ask The Fiscal Court To Use Clinton County Taxpayer Money To Correct. This Should Be Corrected Immediately By The Sheriff And Not By The Clinton County Taxpayers If Most Of This Money Was Tax Money Not Turned Over To The Taxing Districts.

Auditor Reply:

We are reflecting a deficit of \$26,839 in the Sheriff's official fee account as of February 29, 2000. The audits that the County Judge/Executive is referring to were difficult and time consuming. We issued these reports as promptly as possible.

ACCOUNTING SERVICES:

Accounting Services Performed In Order To Complete The Audit Were Extensive

We performed the following services that you may wish to complete on your own in the future. By reconciling payroll records to disbursements, computing payments due to taxing authorities for employee withholding and employer's share of social security and retirement, and transferring corrected tax commissions to the fee account, we are able to reduce your audit costs. Due to the inaccuracy of the accounting records, we expended several weeks trying to determine the correct amounts to be used for excess fee purposes. This involved contacting various agencies to determine correct payments made to the Sheriff's office for the audit period, reclassifying amounts on the ledgers, adjusting ledgers for incorrect or unrecorded amounts, recapping all cancelled checks, and reconciling to payroll ledgers.

Kay Riddle, Clinton County Sheriff's Response:

We have been very dissatisfied with the procedures followed by the State Auditor's office regarding various audits performed on the Clinton County Sheriff's Office. Personnel has been discourteous and uncooperative. Statements have been made which make our office feel that we are victim of a political witch hunt. We appreciate the final opportunity make our position clear in these matters.

Charlene King, Clinton County Judge/Executive's Response:

I Would Consider This A Special Audit And The Sheriff Should Be Responsible For Payment.

CLINTON COUNTY
 KAY RIDDLE, COUNTY SHERIFF
 COMMENTS AND RECOMMENDATIONS
 Calendar Year 1999
 (Continued)

ACCOUNTING SERVICES: (Continued)

Accounting Services Performed In Order To Complete The Audit Were Extensive (Continued)

Auditor Reply:

The Clinton County Sheriff and the Clinton County Judge/Executive are not satisfied with this audit as evidence by their responses. Our criteria for our comments and recommendation are based on applicable laws and regulations and the actions that have taken place. We have conducted an independent, objective, and professional audit. The Fiscal Court will be billed for this audit.

INTERNAL CONTROL - REPORTABLE CONDITIONS:

1) The Internal Control Structure Of The Sheriff's Office Is Weak Due To A Lack Of Adequate Segregation Of Duties

We noted the lack of an adequate segregation of duties for the internal control structure and its operation that in our judgement is a reportable condition under standards established by the American Institute of Certified Public Accountants. Management has considered and rejected additional cost when setting budget limits on spending for salaries and therefore accepts the degree of risk for a lack of an adequate segregation of duties. However the lack of an adequate segregation of duties and the failure to maintain accurate accounting records are hereby noted as reportable conditions pursuant to professional auditing standards.

Kay Riddle, Clinton County Sheriff's Response:

This is a common problem with all small Sheriffs' offices. Many times due to budget constraints we have only one person on duty in the Sheriff's office and they dispatch, are responsible for collecting taxes, accepting summons and subpoenas, and answering the telephone. Our additional bookkeeper which we have hired should assist us in segregating employees' duties.

Charlene King, Clinton County Judge/Executive's Response:

Perhaps the Department of Local Government's recommendation to fee pool in September 1999 should have been considered.

2) Other Reportable Conditions

The comments noted below are noted as reportable conditions pursuant to professional auditing standards.

- The Sheriff Should Expend Public Funds Only For Necessary Expenses Of The Sheriff's Office
- The Sheriff Should Transfer Correct Commissions From Tax Collections
- The Sheriff Should Maintain Accurate Accounting Records
- The Sheriff Should Maintain Accurate Payroll Records
- The Fiscal Court Should Set Deputy Sheriff Salaries Annually

CLINTON COUNTY
KAY RIDDLE, COUNTY SHERIFF
COMMENTS AND RECOMMENDATIONS
Calendar Year 1999
(Continued)

- The Sheriff Should Properly Report Payroll Wages And Withholdings
- INTERNAL CONTROL - REPORTABLE CONDITIONS: (Continued)

2) Other Reportable Conditions (Continued)

- The Sheriff Should Prepare And Publish An Annual Settlement
- The Sheriff Should Pay Invoices In A Timely Manner
- The Sheriff Should Obtain Reimbursements From State For Expenses
- Accounting Services Performed In Order To Complete The Audit Were Extensive

Kay Riddle, Clinton County Sheriff's Response:

Please see responses to Items 1-13 above. Let me add that we have done our job despite being in constant frustration due to the County Judge's apparent attempt to withhold funding from our office.

Charlene King, Clinton County Judge/Executive's Response:

None.

INTERNAL CONTROL - MATERIAL WEAKNESSES:

3) Material Weaknesses

The comments noted below are hereby noted as material weaknesses.

- The Sheriff Should Expend Public Funds Only For Necessary Expenses Of The Sheriff's Office
- The Sheriff Should Transfer Correct Commissions From Tax Collections
- The Sheriff Should Maintain Accurate Accounting Records
- The Sheriff Should Maintain Accurate Payroll Records
- The Fiscal Court Should Set Deputy Sheriff Salaries Annually
- The Sheriff Should Properly Report Payroll Wages And Withholdings
- The Sheriff Should Prepare And Publish An Annual Settlement
- The Sheriff Should Pay Invoices In A Timely Manner
- The Sheriff Should Obtain Reimbursements From State For Expenses
- Accounting Services Performed In Order To Complete The Audit Were Extensive
- The Internal Control Structure Of The Sheriff's Office Is Weak Due To A Lack Of Adequate Segregation Of Duties

Kay Riddle, Clinton County Sheriff's Response:

Please see responses to Items 1-14 above.

Charlene King, Clinton County Judge/Executive's Response:

None.

CLINTON COUNTY
KAY RIDDLE, COUNTY SHERIFF
COMMENTS AND RECOMMENDATIONS
Calendar Year 1999
(Continued)

PRIOR YEAR COMMENTS AND RECOMMENDATIONS:

In the prior year audit report, we made the following comments and recommendations:

- The Sheriff Should Not Have A Deficit In His Official Fee Account
- The Sheriff Should Expend Public Funds Only For Necessary Expenses Of The Sheriff's Office
- The Sheriff Should Maintain Accurate Accounting Records
- The Sheriff Should Transfer Correct Commissions From Tax Collections
- The Sheriff Should Maintain Accurate Payroll Records
- The Fiscal Court Should Set Deputy Sheriff Salaries Annually
- The Sheriff Should Properly Report Payroll Wages And Withholdings
- Fiscal Court Should Reimburse Sheriff For Employer's Share Of FICA And Unemployment Insurance
- The Sheriff Should Prepare And Publish An Annual Settlement
- The Sheriff Should Pay Invoices In A Timely Manner
- The Sheriff Should Obtain Reimbursement From State For Expenses
- The Internal Control Structure Of The Sheriff's Office Is Weak Due To A Lack Of Adequate Segregation Of Duties
- The Sheriff Should Record And Deposit All Funds Received To His Official Account
- The Sheriff Should Make Timely And Accurate Federal Tax Withholdings Reports

These findings have not been corrected and have been commented on in the current audit report.

Kay Riddle, Clinton County Sheriff's Response:

We are in the process of correcting those items which are within our power to correct.

Charlene King, Clinton County Judge/Executive's Response:

None.

ADDITIONAL RESPONSES FROM THE SHERIFF AND COUNTY JUDGE/EXECUTIVE:

Kay Riddle, Clinton County Sheriff's Response:

Events are now occurring which we feel will result in funds being paid as required by statute and by Fiscal Court action to the Sheriff's Office. We have retained private counsel to assist us in this process.

Charlene King, Clinton County Judge/Executive's Response:

Please Find Enclosed The Budget Presented To The Fiscal Court By The Sheriff In January 1999. You will Note The Sheriff States That Any Shortfall Specifically The 17,454.30 Will Come Out Of His Salary. I Recommend That The Auditors Review This Again And Ask The Sheriff To Donate The Money From The Salary He Took By Shorting The Taxing Districts.

CLINTON COUNTY
KAY RIDDLE, COUNTY SHERIFF
COMMENTS AND RECOMMENDATIONS
Calendar Year 1999
(Continued)

ADDITIONAL RESPONSES FROM THE SHERIFF AND COUNTY JUDGE/EXECUTIVE:
(Continued)

Auditor Reply:

The language of the fiscal court “fixing” the expense categories and the limit for each expense category must be (1) clearly enough stated so that a reasonable person can understand by reading it, what the intent of the fiscal court is and (2) be duly recorded in its official minutes as an official action of the fiscal court. As a matter of law, it is not proper for an auditor to rely upon an officials explanations or interpretations of the fiscal courts actions. The courts of the Commonwealth of Kentucky have long held that the fiscal court may only speak by and through its records. We could not use either one because a budget for calendar year 1999 was not included as part of the official record of the fiscal court. A copy of the budget was not included in the fiscal court minutes or orders or received by the Clerk taking the minutes.

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REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Honorable Charlene King, Clinton County Judge/Executive
Honorable Kay Riddle, Clinton County Sheriff
Members of the Clinton County Fiscal Court

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of The Financial
Statement Performed In Accordance With Government Auditing Standards

We have audited the Clinton County Sheriff as of December 31, 1999, and have issued our report thereon dated March 30, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Clinton County Sheriff's financial statement as of December 31, 1999, is free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying comments and recommendations.

- The Sheriff Should Not Have A Deficit Of \$17,478 In His Official Fee Account As Of December 31, 1999
- The Fiscal Court Should Provide Funding To The Sheriff's Office In The Amount Of \$53,814 For Calendar Year 1999
- The Sheriff Has A Deficit Of \$26,839 In His Official Fee Account As Of February 29, 2000
- The Sheriff Should Expend Public Funds Only For Necessary Expenses Of The Sheriff's Office
- The Sheriff Should Transfer Correct Commissions From Tax Collections
- The Sheriff Should Maintain Accurate Accounting Records
- The Sheriff Should Maintain Accurate Payroll Records
- The Fiscal Court Should Set Deputy Sheriff Salaries Annually
- The Sheriff Should Properly Report Payroll Wages And Withholdings
- The Clinton County Fiscal Court Should Reimburse The Sheriff For The Employer's Share Of Social Security And Unemployment Insurance Totaling \$11,333
- The Sheriff Should Prepare And Publish An Annual Settlement
- The Sheriff Should Pay Invoices In A Timely Manner

Honorable Charlene King, Clinton County Judge/Executive
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 Report On Compliance And On Internal Control
 Over Financial Reporting Based On An Audit Of The Financial
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 (Continued)

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Clinton County Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statement. Reportable conditions are described in the accompanying Comments and Recommendations.

- The Sheriff Should Expend Public Funds Only For Necessary Expenses Of The Sheriff's Office
- The Sheriff Should Maintain Accurate Accounting Records
- The Sheriff Should Transfer Correct Commissions From Tax Collections
- The Sheriff Should Maintain Accurate Payroll Records
- The Fiscal Court Should Set Deputy Sheriff Salaries Annually
- The Sheriff Should Properly Report Payroll Wages And Withholdings
- The Sheriff Should Prepare And Publish An Annual Settlement
- The Sheriff Should Pay Invoices In A Timely Manner
- The Sheriff Should Obtain Reimbursements From State For Expenses
- Accounting Services Performed To Complete The Audit Were Extensive
- The Internal Control Structure Of The Sheriff's Office Is Weak Due To A Lack Of Adequate Segregation Of Duties

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider the following to be material weaknesses.

- The Sheriff Should Expend Public Funds Only For Necessary Expenses Of The Sheriff's Office
- The Sheriff Should Transfer Correct Commissions For Tax Collections
- The Sheriff Should Maintain Accurate Accounting Records
- The Sheriff Should Maintain Accurate Payroll Records

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Report On Compliance And On Internal Control
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(Continued)

Internal Control Over Financial Reporting (Continued)

- The Sheriff Should Properly Report Payroll Wages And Withholdings
- The Sheriff Should Pay Invoices In A Timely Manner
- The Sheriff Should Obtain Reimbursements From State For Expenses
- Accounting Services Performed To Complete The Audit Were Extensive
- The Internal Control Structure Of The Sheriff's Office Is Weak Due To A Lack Of Adequate Segregation Of Duties

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
March 30, 2000

APPENDIX A:
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES

JANUARY 1, 2000 THROUGH FEBRUARY 29, 2000

CLINTON COUNTY
KAY RIDDLE, SHERIFF
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES

January 1, 2000 Through February 29, 2000

Receipts

State Grants		\$	1,464
Circuit Court Clerk:			
Sheriff Security Service	\$	855	
Fines and Fees Collected		<u>60</u>	915
County Clerk - Delinquent Taxes			193
Commission On Taxes Collected			2,904
Fees Collected For Services:			
Auto Inspections	\$	665	
Accident and Police Reports		15	
Carrying Concealed Deadly Weapon Permits		810	
Serving Papers		1,665	
Sheriff's Add-On Fees - 10% of Tax and Penalty		<u>1,370</u>	4,525
Other:			
Miscellaneous			20
Interest Earned			<u>11</u>
Gross Receipts		\$	10,032

Disbursements

Operating Disbursements:

Payments to State-		
Carrying Concealed Deadly Weapon Permits	\$	760
Personnel Services-		
Deputies' Salaries		15,509
Part-Time Salaries		100
Employee Benefits-		
Employer's Share of Social Security		1,805
Employer's Share of Retirement		109
Supplies and Materials-		
Office Materials and Supplies		88
Office Equipment		70

CLINTON COUNTY
 KAY RIDDLE, SHERIFF
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES
 January 1, 2000 Through February 29, 2000
 (Continued)

Disbursements (Continued)

Operating Disbursements: (Continued)

Auto Expense-

Gasoline	\$	1,449	
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Maintenance and Repairs		185	
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Depreciation of Automobiles		461	
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Other Charges-

Bank Service Charges		12	
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Conventions and Travel		650	
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Total Disbursements			\$	21,198
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Net Receipts			\$	(11,166)
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Less: Statutory Maximum (Two Months)				(9,178)
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Balance as of February 29, 2000			\$	(20,344)
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*Possibly Due from Fiscal Court for Sheriff's Statutory Maximum	\$	9,178		
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Due From Fiscal Court for Employer's Share of Social Security		1,805		
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Total From Fiscal Court	\$	10,983		
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Expenditure In Excess of Receipts		9,361		20,344
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Balance Due County as of February 29, 2000			\$	0
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* This amount is not due as of February 29, 2000. The amount due for calendar year 2000 Sheriff's salary will be calculated as of December 31, 2000.

APPENDIX B:
SCHEDULE OF EXCESS OF LIABILITIES OVER ASSETS

AS OF FEBRUARY 29, 2000

CLINTON COUNTY
KAY RIDDLE, COUNTY SHERIFF
SCHEDULE OF EXCESS OF LIABILITIES OVER ASSETS

As of February 29, 2000

Assets

Cash in Bank		\$	351
Deposits in Transit			794
Receivables:			
Due From Clinton County Fiscal Court-			
Employer's Share of Social Security-			
1998 Fees	\$	8,335	
1999 Fees		10,682	
2000 Fees		1,805	
Unemployment Insurance-			
1998 Fees		586	
1999 Fees		651	
Overpayment of Employer's Share of			
Retirement - 1999 Fees		1,124	
Contribution For Sheriff's Statutory Maximum -			
1999 Fees		42,481	
2000 Fees		9,178	
			\$ 74,842
Due From Sheriff for 1998 Fees-			
Salary Paid in Excess of Statutory Maximum	\$	851	
Erroneous Payment to Sheriff for Prior Year		70	
Overpayment of Kentucky Law Enforcement			
Program Fund		150	
Under-Withheld County Retirement		100	
Under-Withheld Social Security		153	
			1,324
Due From Sheriff for 1999 Fees-			
Under-Withheld County Retirement	\$	148	
Under-Withheld County Payroll Tax		28	
			176
Due from Employees for 1998 Fees-			
Overpayment of Kentucky Law Enforcement			
Program Fund			437
Due from Employees for 1999 Fees-			
Overpayment of Kentucky Law Enforcement			
Program Fund	\$	1,180	
Overpayment of Salaries		54	
Under-Withheld County Retirement		174	
Under-Withheld Social Security		11	
Under-Withheld County Payroll Tax		75	
Refunded Retirement Withholdings		299	
			1,793

CLINTON COUNTY
 KAY RIDDLE, COUNTY SHERIFF
 SCHEDULE OF EXCESS OF LIABILITIES OVER ASSETS
 As of February 29, 2000
 (Continued)

Assets (Continued)

Receivables: (Continued)

Due from Employees for 2000 Fees-			
Overpayment of Kentucky Law Enforcement			
Program Fund	\$	148	
Under-Withheld County Payroll Tax		<u>7</u>	\$ 155
Due From 1996 Tax Account-			
Tax Commissions	\$	2,474	
Advertising Fees		<u>216</u>	2,690
Due From 1997 Tax Account-			
Interest	\$	1,298	
Sheriff's Fee - Advertising		355	
Bank Franchise Fee Commissions		1,508	
Deposit Errors		<u>297</u>	3,458
Due From 1998 Tax Account-			
Interest	\$	675	
Sheriff's Fee		3,983	
Bank Franchise Fee Commissions		<u>24</u>	4,682
Due From 1999 Tax Account-			
Tax Commissions - February 2000			787
Kentucky Law Enforcement Foundation			
Program Fund - January and February 2000			<u>2,000</u>
Total Receivables			<u>\$ 92,344</u>
Total Assets			<u><u>\$ 93,489</u></u>

Liabilities

Paid Obligations:

Outstanding Checks	\$	257	
Other Paid Obligations:			
State Treasurer-			
Carry Concealed Deadly Weapon License Fees		760	
Clinton County Fiscal Court-			
Retirement		468	
Other Vendors		<u>1,018</u>	
Total Paid Obligations	\$		2,503

CLINTON COUNTY
 KAY RIDDLE, COUNTY SHERIFF
 SCHEDULE OF EXCESS OF LIABILITIES OVER ASSETS
 As of February 29, 2000
 (Continued)

Liabilities (Continued)

Unpaid Obligations:

U.S. Treasurer -

Federal Tax Withholdings and Matching-

1998 Fees	\$	9,361	
1999 Fees		9,971	
2000 Fees		<u>5,548</u>	\$ 24,880

Kentucky State Treasurer-

State Withholdings-

1998 Fees	\$	1,143	
1999 Fees		2,847	
2000 Fees		<u>966</u>	4,956

Carry Concealed Deadly Weapon License Fees-

1998 Fees	\$	160	
1999 Fees		<u>640</u>	800

Clinton County Fiscal Court-

Retirement Withholdings and Matching-

1997 Fees	\$	452	
1998 Fees		2,024	
1999 Fees (Withholdings Only)		1,756	
2000 Fees		<u>215</u>	4,447

County Withholdings-

1999 Fees	\$	305	
2000 Fees		<u>177</u>	482

Kentucky Law Enforcement Foundation

Program Fund- Overpayment of Grant-

1999 Fees	\$	2,642	
2000 Fees		<u>536</u>	3,178

1996 Tax Account-

Refunds			3,096
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1997 Tax Account-

Overpayment of Tax Commissions-

1998 Fees	\$	9,423	
1999 Fees		<u>11,000</u>	20,423

Franchise Taxes Deposited to Fee Account			1,172
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Bank Service Charges			24
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CLINTON COUNTY
 KAY RIDDLE, COUNTY SHERIFF
 SCHEDULE OF EXCESS OF LIABILITIES OVER ASSETS
 As of February 29, 2000
 (Continued)

Liabilities (Continued)

Unpaid Obligations: (Continued)

1998 Tax Account-			
Overpayment of Tax Commissions-			
1998 Fees	\$	14,813	
1999 Fees		<u>13,998</u>	\$ 28,811
Taxes Deposited to Fee Account			1,717
Bank Service Charges			110
1999 Tax Account-			
Overpayment of Tax Commissions-			
1999 Fees	\$	8,525	
2000 Fees		<u>1,232</u>	9,757
Due to Employees for 1998 Fees-			
Underpayment of Wages			274
Social Security Over-Withheld			58
Due to Employees for 1999 Fees-			
Over-Withheld County Payroll Tax			3
Due to Sheriff-			
Underpayment of Statutory Maximum-			
1999 Fees	\$	281	
2000 Fees		100	
Social Security Over-Withheld - 1999 Fees		<u>4</u>	385
Depreciation of Automobiles-			
1998 Fees	\$	6,374	
1999 Fees		5,377	
2000 Fees		<u>461</u>	12,212
Other Vendors-			
Law Enforcement Equipment	\$	119	
Uniforms		327	
Vehicle Maintenance and Repairs		<u>594</u>	<u>1,040</u>
Total Unpaid Obligations			<u>\$ 117,825</u>
Total Liabilities			<u>\$ 120,328</u>
Total Fund Deficit as of February 29, 2000			<u><u>\$ (26,839)</u></u>

